



OFFICE OF LEGISLATIVE AUDITOR
Fiscal Note

Fiscal Note On: **HB 277** HLS 10RS 131

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 15, 2010	2:45 PM	Author: JONES, SAM
Dept./Agy.: St. Mary Parish		
Subject: Creation of the St. Mary Hydroelectric Authority		Analyst: Erica Martin

DISTRICTS/SPECIAL

EN SEE FISC NOTE SD EX

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Creates the St. Mary Hydroelectric Authority

Purpose of the Bill: This measure creates the St. Mary Hydroelectric Authority (district) as a political subdivision within St. Mary Parish. The district is being created for the purpose of utilizing the waters of the Wax Lake Outlet and Atchafalaya River in order to generate and distribute electric power, sell the use of waters for the production of electric power, and to purchase or construct facilities necessary to fulfill the purposes of the district. The district will be managed by an eleven member board, and will be authorized to enter into contracts, acquire and manage property, incur debt, issue revenue bonds, assess charges, fees, and rentals, and appoint and retain employees to conduct the business of the district.

Any project that can potentially affect the water flow or levels within the impacted waterways is subject to approval by the Atchafalaya Basin Research and Promotion Board and the Coastal Protection and Restoration Authority.

EXPENDITURES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2010-11	2011-12	2012-13	2013-14	2014-15	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Expenditures may increase by an indeterminate amount as a result of this measure.

This measure authorizes the district to plan, develop and construct facilities to generate and transmit electrical power from the Wax Lake Outlet and the Atchafalaya River located in St. Mary Parish. In order to fulfill its purposes, the district may incur operating expenses (local funds) which include hiring personnel to carry out the administrative and operating functions of the district. This measure requires the commission to adopt a five-year projected administrative budget; however, at this time the specific expenditure amounts cannot be determined.

The eleven member board of commissioners will serve without compensation but may be reimbursed for actual expenses incurred in the performance of their duties. Administrative costs will be limited to 10% of revenues earned by the district. Additional personnel costs may be incurred for the compensation of an appointed secretary/treasurer, who is not a member of the board, and other personnel (engineers, attorneys, general manager) as the board deems fit.

(Continued on pg. 2)

REVENUE EXPLANATION

Revenues may increase by an indeterminate amount as a result of this measure.

This measure does not allow the district to levy taxes, but it may assess and collect charges, fees and rentals received from the use of its properties and facilities. At least 90% of the revenues earned by the district shall be used to provide hurricane protection for electrical transmission and distribution in St. Mary Parish. The district is also allowed to incur debt (certificates of indebtedness) and issue revenue bonds with the approval of the State Bond Commission.

In addition, all energy usage rates, as charged by the third party contractor to the parish energy users, must be approved by the Public Service Commission

This measure will have no revenue impact on the Atchafalaya Basin Research and Promotion Board or the Coastal Protection and Restoration Authority.

Senate

☒ 13.5.1 >= \$100,000 Annual Fiscal Cost

☐ 13.5.2 >= \$500,000 Annual Tax or Fee Change

Dual Referral Rules

House

☐ 6.8(F) >= \$100,000 Annual SGF Cost

☐ 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease

Joy Irwin
Director of Advisory Services



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CONTINUED EXPLANATION from page one:

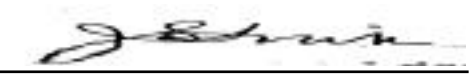
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Expenditure explanation continued from pg. 1:

An official with the Coastal Protection and Restoration Authority (CPRA) estimates the total increase in expenditures (statutory dedication/other) of the CPRA to be \$410,000 in the initial year (to create the basin-wide hydrodynamic model) and an increase of \$60,000 in each of the following years (to calibrate and maintain the model), if the project is approved. Also, an increase in federal funds of \$10,000 is estimated with the intent to provide monitoring for federal purposes. These federal funds will be requested from either the U.S. Geological Survey, U.S. Fish and Wildlife Services, or National Oceanic and Atmospheric Association (NOAA).

An official with the Atchafalaya Basin Research and Promotion Board (ABRPB) estimates that, although any project authorized by the district shall be approved in advance by the ABRPB, no additional staff members will be hired. Current staff members will be used and the ABRPB does not expect the workload to increase enough to facilitate hiring another staff member.

An official with the Sabine River Authority, a joint venture hydroelectric authority between Louisiana and Texas, stated the original construction cost in 1964 was \$60,000,000. Their re-license fee required through the Federal Energy Regulatory Commission (FERC) is estimated at \$8,000,000 and includes environmental studies, fees for attorneys, engineers, consultants, FERC fees, etc. The previous license was valid for 40 years, but officials with SRA are unsure how long the new license will be valid for.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>	
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost		<input type="checkbox"/> 6.8(F) >= \$100,000 Annual SGF Cost	Joy Irwin
<input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change		<input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease	Director of Advisory Services